



**TOWN OF NORTH ANDOVER
FINANCE COMMITTEE
Meeting Minutes
Meeting Date October 28, 2015**

**Meeting Location: 2nd floor Selectmen's Room
CTO 6:48**

Bill Callahan, BC	Chairman	X	Susan Almono, SA	
Donald Elliot, DE	Vice Chair	X	Timothy Tschirhart, TT	X
Karin Blake, KB		X	Liz Gerron, LG	X
Thomas Ringler, TR			Angela Ciofolo, AC,	X
Chris Nobile, CN		X		
Jennifer Goldman, JG		X		

Non Fincom Members in Attendance

James Mealey (JM), Ted Tripp (T Tripp) and Stan Limpert (SL)

Note: All FINCOM votes are subject to change upon receipt of new information.

Note: Documents used in this meeting are listed in Document Table, herein.

Agenda A Approval of Minutes

DE: made a motion to accept the minutes for September 20, 2015

TT: Second the motion

All in favor to approve the minutes

Agenda B. School Department Budget Update-Jim Mealy

JM: gave an update of the School Department's Budget and presented and reviewed the operating Budget. They anticipated a contingency at the start of the school year of \$344,843.00 (in between June and start of September). Since then, they have had a couple of move ins, one student with a residential placement, a day placement, a move out (that offset one of the move ins) and also included all of the transportation associated with out of district placements. This brought us to \$188,379.00 at the start of the school year.

JM: spoke of the 45 day placement of two of the students, where they are not sure if they can be serviced in our district, so they are sent out of district to be assessed. In addition (in September), at the start of the school year they had a residential move in, and a move out, also included was transportation.

They are looking into a program that if they find that more than one student has similar needs, they can set up a program in the district and it will cost them less, rather than sending them out to another district.

JM: in his experience most activity is between the last part of the school year and into October to November.

JM: also mentioned the TA positions at \$16,000 each and also the 0.2 increase for a speech therapist (\$12,000), with a remaining balance of \$55,140.00 (in contingencies).

JM: stated based on past experience between now and the end of the year they are looking at possibly an additional 150,000- 200,000 dollars may be needed.

JM: explained to the Committee that student placements can sometimes cost more than \$200,000.

JG: expressed her concerns with running out of money.

JM: stated that 80% of the budget is salary; the rest is left for the Special Education Fund.

JM then spoke of in the future, hopefully being able to possibly adopt the Circuit Breaker Funds (reimbursements through funds from previous years). This would eliminate the Special Education Fund.

JC: looking over the budgets from over the years the figures fluctuate from year to year. What we are talking about here is an 11 million dollar budget that can go up and down.

LG: depending on a particular need or needs of a student or students that can possibly drive up the budget

KB: they are making great strides in retaining students in district and also by taking outside students by beefing up our own services.

CN: stated that keeping someone in district is an expense, but it is also an investment.

JM: they try and do as much cost avoidance that they can.

JM: stated that the best example in cost avoidance(money you would have spent) is when they teamed up with Andover and it ended up saving them over a million dollars. What they do is get students out into the town for vocational opportunities.

Agenda C. North Andover Taxpayer's Association, Input and Perspective Ted Tripp

BC: stated that we have been lucky lately to have a smooth budgeting process and how we need to make smart investments and also spoke of savings. With that being said he invited Ted Tripp to give his views and get perspectives and have an exchange of ideas, what works well and what could work better.

T Tripp: spoke of how he moved into North Andover in 1999 and the history of the North Andover Taxpayer's Association. During the 1990's the town had many overrides and it hit a high point in 2000.

When Mark Rees was Town Manager he looked back at all the overrides and stated that the town needs to get their act together, the town has a financial problem. That is what started the North Andover Task Force Association. It was a very large board, not always a good idea.

They spent 800 hours to put a solution together. The solution was a 10 million dollar override from 2002-2006. T Tripp felt that this was outrageous, since it would mean a 25% increase in real-estate taxes.

The Town held 3 public hearings, and at one of these meetings he met up with 2 other people and that is when they formed the North Andover Taxpayer's Association.

The Taxpayer's Association forced the town to look at projects such as the police station and to build within a budget. The Taxpayer's Association convinced the Town not to go for overrides, and for projects to stay within budget.

The only reason you would need an override is for an unintended expense (example such as town lost a court case) or an unexpected opportunity (such as real-estate) that was not in budget.

Overrides were never meant as a means to build anything out of budget.

T Tripp: Another thing that changed the culture was to amend an article that he helped pushed forward; it was a 5 year projection of expenditures and revenues. In the past it was done either one or two years in advance. Mark Reese (at the time the Town Manager) took it upon himself to do a 5 year projected budget on expenditures and revenues. This was a helpful and a beneficial change to the Town, since it stabilized a lot of things going forward, especially when it came to negotiating with unions.

T Tripp: stated that the town is running a lot smoother because of the Taxpayer's Association. Overrides are not sustainable in a town like this. The culture was to spend a lot of money and now that has changed.

JG: Asked who the members were for the Tax Payers Association.

T Tripp: Responded it is a group of different individuals and they get together if an override is needed.

T Tripp: considers anything to be an override if it is over 2.5%

T Tripp: stated that the reoccurring problem is the negotiation of the school and teachers contracts, and then the town gets what is left, and did not think it was fair for the police and fire departments.

Stan Limpert responded to T Tripp's statement and stated that he cannot speak how it was 10 years ago, but they have been involving the Town Manager, Andrew Maylor in any of the negotiations for the school and also the teacher's contracts. He has been a very active participant in this process.

SL: The Town Manager sticks to his guidelines and is an active participant in these negotiations. He offers everyone a fair deal, he is honest and transparent.

CN: there has been a process and transparency in place, and this is a good thing. There has been an enhancement in the last 10 years.

SL: stated that the budget is open and transparent as possible to everyone. They are very concerned with their budget.

There are 4,792 students in the district and they want to provide the best education to every student.

SL: stated that there is sufficient capacity in the school for the students.

SL: with all the developments and new homes there has not been a significant increase in the amount of students, very little impact.

JG: asked what the average increase in taxes per year is.

TT: responded 1.75 to 2.5%

JG: responded that seems to be below the average rate of inflation.

BC: stated that there are different components that go into that

T Tripp: it also varies on what part of town your home is located at.

CN: more business expands the tax base.

JG: Asked SL if they are keeping track of the number of students that are in the school system.

SL yes we have, it has been in presentations and he could make that available.

Agenda D. Andrew Maylor, FY 17 Planning-Retirement Assessment

This will be addressed in a future meeting.

Agenda E. Review and Guidelines for Fincom

BC: asked the board to take a look at the guidelines tonight and possibly make changes (if needed). When we feel it is all set to send out to each of the department heads we could send it out as a template and have the departments respond.

JG: asked don't we want short concise answers, this may be too long.

KB: responded to JG, so she would understand being the newest member of the group, that these guidelines are a product of long deliberations with this Board. It is not perfect, but it is better than the original that started out as 15 pages.

TT: when a department head comes to the podium these guide lines will help them on what to expect and how to prepare.

The Board talked of Departments wants, needs, and what they would like to have (wish list).

KB: These guidelines sometimes help us help them.

DE: asked if there would be slide presentations from each of the departments for the benefit of our viewing audience. The Board members didn't think so, but some departments may, such as the School Department.

TT: Does not want to create a lot of work for everyone.

CN: how do other communities work, we can possibly learn from others. Are we doing it like other communities, are they doing it better, can we learn from them.

DE: We could make changes and get the guidelines out and wait and see the reactions and responses.

BC: Asked Board if we were good with these guidelines? I am looking for the Board's input.

JG: Responded we can make it an 8 page PowerPoint. Give it to the departments and they can respond back with their answers, and then we can give it to the public.

JG: stated that she will volunteer to do the templates for the PowerPoint slides.

BC: Then we can proceed.

Agenda F. Updates From Revenue and Fixed Cost Committee

DE: the numbers are conservative, particularly based on the last few years, nothing controversial. There will be minor bumps.

CN: wants to keep an eye on contingencies

LG: The Town Manager wants the department's budgets to come in around 3.7% (no more than that).

BC: thank you for the report.

Agenda G. Reaching Out Through Social Media

BC: Asked Board to think about Fincom reaching out to the public in social media such as Twitter/Facebook.

The purpose would be to publicize and to increase public participation and interest.

JG: Maybe we can talk and think about this for a future meeting.

JG: Also spoke of the benefits to using social media.

DE: You do not want to violate any meeting laws.

Agenda H. Schedule November and December Meeting

BC: wanted to schedule the next 3 meetings for Tuesday's at the Police Station's Community Room; this is due to the construction at Town Hall. The dates suggested were November 17th, December 1st, and December 15th

BC: we could extend an invitation to the selectman and the Town Manager.

Agenda I. Adjourn 8:48

TT: made a motion to adjourn

KB: second the motion

All in favor

DOCUMENT TABLE:

<u>SUBJECT</u>	<u>FROM</u>	<u>TO</u>
1. Finance Committee Minutes September 22,2015	Pat	Fincom
2. Finance Committee Guidelines for Budget Review	Bill	Fincom
3. FY16 Operating Budget Update (school)	Jim Mealy	Fincom
4. FY17 Operating Budget Update	Town Manager	Fincom